



Etsy, Inc.
55 Washington Street, Suite 512
Brooklyn, New York 11201

Via Electronic Mail

June 14, 2021

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request for Public Input on Climate Change Disclosures

Etsy recognizes the urgency and importance of doing our part in trying to prevent the worst effects of climate change. We believe it's a problem we must all work on together, and that business leaders have a responsibility to act urgently and aggressively.

We appreciate the opportunity to provide comments to the U.S. Securities and Exchange Commission (SEC) related to the ongoing evaluation of climate change disclosures, and Etsy supports the SEC in its efforts to evaluate the benefits of requiring consistent, reliable and decision-useful ESG metrics as part of its rulemaking process and guidance.

At Etsy we are committed to disclosing our Impact and ESG metrics and other key non-financial information related to our economic, social and ecological impact. We strive to apply the same focus, discipline, and accountability to our Impact metrics as we do our financial metrics. We have submitted Integrated Annual Reports to the SEC for three years, beginning with our 2018 report, which included metrics consistent with the Sustainability Accounting Standards Board framework for our sector. In our 2020 report we were pleased to expand our integrated reporting to additionally include information aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. By taking these steps we believe we are able to hold ourselves accountable and more accurately assess our progress, and we believe this makes us a stronger and more resilient company.

In our reporting, we share metrics related to climate change, including our annual total energy use and renewable energy use, and our Scope 1, 2 and 3 emissions. We also share goals and targets for energy and emissions reductions and provide updates on these publicly shared goals and targets, as well as information about the carbon offsets we purchase.

Etsy is proud of our voluntary reporting, and we think it appropriate for the SEC to impose disclosure requirements on public companies relating to the climate change impacts caused by their operations, including the physical and transition impacts of the climate crisis on communities, human rights implications, and the connection between climate, water, food, and forests.

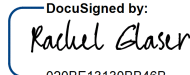
We believe that climate change disclosure rules from the SEC should include the following elements:

- **TCFD alignment:** The SEC's work should be based on the recommendations of the Task Force on Climate-related Financial Disclosures which has been endorsed by hundreds of companies and investors globally.
- **Industry-specific metrics:** SEC rulemaking should include industry-specific metrics because material climate risks manifest in different ways by industry. Etsy does not support a one-size-fits-all approach. Rather, metrics should build on existing standards in common use by investors and companies. Identifying such industry-specific metrics would also allow for comparable disclosures.
- **Governance and strategy disclosure:** Disclosure rules should provide insights into companies' climate risk exposure, strategies, and scenario planning as materially applicable to each company.
- **Emissions disclosure:** Disclosure rules should include Scope 1, 2, and 3 greenhouse gas emissions, which are needed to assess the full range of climate change risks facing companies.
- **Inclusion in annual financial filings:** Material climate disclosures, including discussion on risk exposure and business opportunities, impacts on strategy, and emissions reporting and management, should be included in annual SEC filings.
 - To encourage disclosures the SEC should consider providing companies with a safe harbor for good faith statements about climate change risks and opportunities. For almost every public company, the future is difficult to predict with precision and the science of climate change is complex and evolving.
 - These disclosures should be considered similar to forward-looking statements and companies should be protected from liability (and frivolous lawsuits) if they comply with appropriate conditions and their statements later turn out to be incorrect.
- **Regular updates:** Climate change impacts, scientific consensus around climate impacts and capital market responses to climate risks are rapidly evolving. SEC disclosure rules should be updated regularly in response to these developments, and they should include the development or adoption of new metrics.

We understand that material disclosures are different for every company, but we also believe that climate change is material to every industry and needs to be treated with the same transparency and level of importance as SEC-mandated financial metrics. More standardized climate disclosure policies and guidance will enable stakeholders in all industries to make more confident and informed decisions in a future that we expect will increasingly be impacted by the climate crisis.

Etsy remains committed to integrated reporting and we would be glad to see additional companies join us and take action on climate change in part by reporting in a similar way.

Thank you,

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Rachel Glaser
Chief Financial Officer
Etsy, Inc.